

IN THE SPECIFICATION

Replace the paragraph on page 4, lines 1-4 with the following paragraph:

A1
Accordingly, the present invention compress digital data using multiple passes of a predetermined compression algorithm to obtain compressed digital data, and subsequently **decompress** ~~compress~~ the compressed digital data using a single pass of a corresponding decompression algorithm to obtain the digital data in a lossless process.

Replace the paragraph on page 15, lines 4-7 with the following paragraph:

A2
With the above explanation being made, once the thread determination step 360 is complete, step 370 begins, the appropriate control signals, metadata, and **threads blocks** of data are transmitted to the C/D engine 230, so that the compression of each of the blocks within a **given** thread can take place.

Replace the paragraph on page 20, lines 17-page 21 line 6, with the following paragraph:

A3
In performing the determination and reordering steps, each of the threads that were created in the first pass will be stripped from the corresponding compressed blocks, and corresponding diagnostic signals, as mentioned above, will be sent to the interface controller indicating that each previously created thread has been terminated. It is also noted that in this portion of the second or subsequent pass of compression, that the metadata used corresponds to metadata created for each block within the thread of a previous pass. Thus, in the example provided, since the metadata from the **threads blocks** of B1ae, B1be, B1ce and B1de was all from the same thread, then the same metadata will be used on the B1ae/B1ce **thread block**, and the B1be/B1de **thread block**. It is understood, however, that if the blocks were combined from what was previously two separate threads, then the metadata from each of the two separate threads will be combined, and used in this operation. This latter implementation, however, adds another layer of complexity to an already complex system, and accordingly is not, at the present time, the preferred implementation.